

State of Alaska FY2009 Governor's Operating Budget

Department of Education and Early Development Program Administration & Operations Component Budget Summary

Component: Program Administration & Operations

Contribution to Department's Mission

ACPE's mission is to promote, support, and provide access to postsecondary education in Alaska and for Alaskans.

Core Services

The Alaska Commission on Postsecondary Education (ACPE/Commission) was created and has been charged by the Alaska Legislature to carry out its mission by delivering core services to:

- Provide financial aid for postsecondary education and training
- Promote postsecondary education participation in Alaska
- Protect consumers through institutional authorization and consumer complaint investigation

Under agreement with the Alaska Student Loan Corporation (ASLC or Corporation), the Commission has developed and delivers the AlaskAdvantage® Programs and Services and other occupational area-specific education loans.

Programs and services include outreach and early awareness programs intended to increase Alaskans' awareness of the importance of academic preparation and financial planning to insure both access and success in postsecondary education. ACPE seeks to make all state residents aware postsecondary education is vitally important and possible for all Alaskans--regardless of their economic or social status. One key agency goal is to provide Alaskans with the tools and information to make sound postsecondary education/training investments and decisions by delivering an electronic resource of education/training/labor information.

ACPE also monitors postsecondary educational opportunities both in and outside Alaska and provides Alaskan education consumers with information on these opportunities on a regular basis. Except for certain exempt institutions, ACPE is the regulatory agency for postsecondary schools operating in the state. The Commission emphasizes quality in postsecondary education and training to ensure value for Alaskans in their pursuit of lifelong learning. This emphasis is essential to provide education consumer protection in Alaska.

Core Services Detail

This component administers and services the following state/federal financial aid programs:

1. AlaskAdvantage® Education Grants;
2. AlaskAdvantage® Federal Education Loans;
3. AlaskAdvantage® Supplemental Education Loans (ASEL);
4. Pre-2002 Alaska Student Loans (ASL);
5. Alternative Consolidation Loans;
6. Teacher Education Loans (TEL);
7. Family Education Loans (FEL);
8. WWAMI Medical Education Loans;
9. WICHE: Professional Student Exchange Loans, Western Undergraduate Exchange, Regional Graduate Programs (WRGP);
10. Alaska's GEAR UP Scholarship; and
11. Miscellaneous state memorial education loan programs created for special purposes or target populations.

Servicing operations/administrative duties encompass:

- Processing education grant applications and disbursing and administering grant funds;
- Financing, originating and servicing education loans;
- Performing administrative collections action and;
- Acting as a one-stop resource for postsecondary education planning and financing services for all Alaskans;
- Identifying at risk students in elementary and secondary education and providing them (and their families) with targeted information about the importance of postsecondary education and, subsequently, providing ongoing related

- information and assistance in accessing postsecondary programs;
- Advertising educational exchange opportunities to Alaskan residents;
- Certifying Alaskan residents as eligible for participation under the various WICHE student exchange programs;
- Representing Alaskan issues and concerns to the western member states; and
- Assisting in the development of new programs which serve to expand postsecondary opportunities for Alaskans.

Core Services Objectives

- Award and disburse grants
- Issue loans
- Insure quality servicing of education loans through human and technology resources
- Insure the quality of the loan portfolio through effective collections and enhanced revenues
- Maintain quality internal operations through accountability and quality control
- Administer other financial aid programs that benefit Alaska postsecondary education consumers
- Insure adequate funds are available to meet loan demand

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Staff appropriate public events/venues • College planning materials distributed to all Alaskan students and parents • College promotion activities for at risk youth • Partner with all stakeholder groups • Promote federally guaranteed loans using borrower incentives • Provide flexible repayment options • Take proactive debt counseling action 	<ul style="list-style-type: none"> • Provide credit counseling resources • Increase business efficiency and accountability through technology • Provide convenient payment services (i.e. electronic, web, paper check, etc.) • Upgrade technological-delivered borrower services • Provide training for school staff • Provide site reviews of school compliance processes • Collaborate with other agencies (Occupational Licensing, AWIB) to optimize value of information disseminated to schools and the public

FY2009 Resources Allocated to Achieve Results		
FY2009 Component Budget: \$12,110,300	Personnel:	
	Full time	102
	Part time	0
	Total	102

Key Component Challenges

- Deliver the AlaskAdvantage® Education Grant Program with the program objectives of increasing access for lower-income residents, assist in addressing key worker shortage areas, and incent secondary students to take rigorous high school curriculum;
- Increase AlaskAdvantage® share of Alaska’s Federal Family Education Loan Program (FFELP) volume;
- Administer and provide policy direction for the ACPE programs, achieving efficiencies and delivering value-added service to Alaskans through improved management, processes, and technology;
- Review and oversee postsecondary programs and institutions operating in the state, with the exception of the University of Alaska system, emphasizing quality in postsecondary education and training to ensure value for Alaskans in their pursuit of lifelong learning;
- Provide Alaskans with information about: the benefits of higher education, the educational opportunities in Alaska, and financial aid programs available to assist in accessing those opportunities;
- Maintain loan portfolio quality through effective collections and enhanced revenues;
- Maintain high service standards for loan borrowers through informed use of technology; and
- Maintain quality internal operations through accountability and quality control.

Significant Changes in Results to be Delivered in FY2009

- Increase anytime, anywhere assistance to student borrowers and their families;
- Increase on-site assistance and student financial aid technology support for participating institutions;
- Continue to expand early awareness and outreach services to Alaska families for distribution of academic preparation an education financing information;
- Enhance technological tools to increase loan collection efficiency and effectiveness with no increase in staffing; and
- Enhance electronic desktop tools for ACPE staff to insure accurate and consistent customer service levels.

Major Component Accomplishments in 2007

In addition to the services described in the preceding agency performance narrative, notable 2007 accomplishments include:

- Delivered \$3.5 million in borrower cost reductions on qualifying education loans, bringing the five-year benefit total to \$17.1 million and maintaining a robust borrower benefit package to incent and reward borrowers who attend school or reside in Alaska;
- Enabled 1,664 Alaska students and their families to save over \$11.7 million in tuition costs through Alaska's participation in the WICHE Western Undergraduate Exchange program;
- For the 5th consecutive year, maintained position as #1 federal education loan provider in the state of Alaska, providing Alaska students with the lowest cost loans in the U.S. with interest rates ranging from 3.25% to 6%;
- Achieved a reduction in ACPE's federal cohort default rate from 9.6% in 2004 to 5.8%;
- Provided substantial borrower cost savings through consolidation at lower interest rates. Approved over \$23 million in consolidation loans in FY2007;
- Ended FY2007 with sufficient net income to approve an FY2009 dividend to the State of \$4.1 million, bringing the total dividends returned to the State since FY2001 to \$32.3 million;
- In FY2007, originated \$76.4 million in loans to over 9,100 borrowers;
- Fully serviced over 160,000 loans with a total loan portfolio of approximately \$638 million; and
- Attracted 432 undergraduate students from other states to the University of Alaska through the Western Undergraduate Exchange program.

Statutory and Regulatory Authority

AS 14.42.010-055
AS 14.48.010-210
AS 14.42.011-055
AS 14.43.910-990
AS 14.43.091-175
AS 14.42.100-990
AS 14.43.250-325
AS 14.43.510
AS 14.43.600-990
AS 14.44.010-060
20 AAC 16.010-090

Contact Information

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**Program Administration & Operations
Component Financial Summary**

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	7,386.5	7,842.0	7,862.4
72000 Travel	152.9	117.7	117.7
73000 Services	3,510.4	3,323.0	3,682.0
74000 Commodities	204.3	86.8	86.8
75000 Capital Outlay	64.7	21.4	21.4
77000 Grants, Benefits	127.8	340.0	340.0
78000 Miscellaneous	38.5	0.0	0.0
Expenditure Totals	11,485.1	11,730.9	12,110.3
Funding Sources:			
1002 Federal Receipts	127.8	140.0	470.0
1007 Inter-Agency Receipts	9.6	0.0	0.0
1092 Mental Health Trust Authority Authorized Receipts	0.0	200.0	200.0
1106 Alaska Post-Secondary Education Commission Receipts	11,267.7	11,290.9	11,340.3
1108 Statutory Designated Program Receipts	80.0	100.0	100.0
Funding Totals	11,485.1	11,730.9	12,110.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	127.8	140.0	470.0
Interagency Receipts	51015	9.6	0.0	0.0
Statutory Designated Program Receipts	51063	80.0	100.0	100.0
Mental Health Trust Authority Auth.Rec.	51410	0.0	200.0	200.0
AK Post-Sec. Education Comm. Receipts	55520	11,267.7	11,290.9	11,340.3
Restricted Total		11,485.1	11,730.9	12,110.3
Total Estimated Revenues		11,485.1	11,730.9	12,110.3

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	0.0	140.0	11,590.9	11,730.9
Adjustments which will continue current level of service:				
-Reverse FY2008 MH Trust Recommendation	0.0	0.0	-200.0	-200.0
-FY 09 Health Insurance Increases for Exempt Employees	0.0	0.0	20.4	20.4
Proposed budget increases:				
-WICHE Dues Increase	0.0	0.0	4.0	4.0
-Federal Loan Consolidation Software Maintenance	0.0	0.0	25.0	25.0
-Federal Challenge Grant	0.0	330.0	0.0	330.0
-MH Trust: Workforce Dev-Provide loan forgiveness, scholarships, and other incentives	0.0	0.0	200.0	200.0
FY2009 Governor	0.0	470.0	11,640.3	12,110.3

**Program Administration & Operations
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2008</u>	<u>FY2009</u>		
	<u>Management</u>	<u>Governor</u>		
	<u>Plan</u>			
Full-time	102	102	Annual Salaries	5,327,786
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	2,786,208
			<i>Less 3.10% Vacancy Factor</i>	<i>(251,594)</i>
			Lump Sum Premium Pay	0
Totals	102	102	Total Personal Services	7,862,400

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant	0	0	5	0	5
Accounting Technician	0	0	1	0	1
Accounting Technician (Acpe)	0	0	5	0	5
Admin Support Specialist	0	0	5	0	5
Administrative Assistant	1	0	1	0	2
Administrative Coordinator	0	0	1	0	1
Administrative Manager	0	0	1	0	1
Administrative Officer	0	0	4	0	4
Business Lead/Analyst I	0	0	1	0	1
Business Lead/Analyst II	0	0	1	0	1
Business Lead/Analyst III	0	0	2	0	2
Chief Financial Officer	0	0	1	0	1
Compliance Auditor	1	0	0	0	1
Customer Service Clerk II	0	0	1	0	1
Customer Service Spec II	0	0	14	0	14
Customer Service Spec III	2	0	9	0	11
Customer Service Supervisor	0	0	1	0	1
Director	0	0	1	0	1
Director/Iss	1	0	0	0	1
Documents Processor	0	0	3	0	3
Due Diligence Supervisor	0	0	2	0	2
Executive Director	0	0	1	0	1
Executive Secretary III	0	0	1	0	1
Internal Auditor IV	0	0	1	0	1
LAN Administrator	0	0	1	0	1
Loan Servicing Technician I	0	0	2	0	2
Loan Specialist	0	0	12	0	12
Micro/Network Tech II	0	0	1	0	1
Outreach Administrator	1	0	0	0	1
Policy Analyst	0	0	1	0	1
Procedures & Training Spec	0	0	2	0	2
Program Coordinator	4	0	2	0	6
Program Manager	1	0	0	0	1
Programmer/Analyst	7	0	0	0	7
Publications Specialist	1	0	0	0	1
Totals	19	0	83	0	102